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UNCLAS SECTION 01 OF 03 MEXICO 000630

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SUBJECT: ZACATECAS NOTES: STATE OF DISCONTENT

¶1. (SBU) A two day trip to Zacatecas state in early February by Embassy Poloff and Monterrey consulate's Polecon chief provided indications that the nearly ten year grip held by the Democratic Revolutionary Party on the state may be loosening. Contacts in politics, government, media and academe we spoke with told us that chronic economic stagnation, what residents perceive to be an uptick in violent crime in the past two years and the lackluster administration of current PRD governor Amalia Garcia have amplified a sense of things gone badly wrong.

A Century of Decline

¶2. (U) To be sure, discontent is no stranger to Zacatecas. The state fell on hard times more than a hundred years ago and never recovered its stature as one of the richest silver mining areas in the world. The capital is richly adorned with ecclesiastical and administrative architecture befitting its status as colonial Mexico's most important northern city, but today it feels oversized relative to the rest of the sparsely populated, economically laconic state.

¶3. (U) Mining and agriculture remain the two principal mainstays, but highly capitalized operations in the first and inefficiencies in the second mean neither offers extensive employment possibilities. Commercial activities are small-scale and manufacturing nearly non-existent. Dr. Miguel Moctezuma Director of Development Studies at the Autonomous University of Zacatecas, is fond of telling visitors that all of the state's commercial entrepreneurs can be fit into a Volkswagon Bug with room to spare.

¶4. (U) Something of an anomaly in north-central Mexico, Zacatecas is more akin to Chiapas and Oaxaca than its more prosperous neighbors. It suffers chronically high unemployment/under-employment and ranked 26 out of 31 Mexican states in a GOM social development index published last year.

¶5. (U) Not surprisingly, one of its largest exports is migrant labor, largely to the U.S., but also to more prosperous regional cities such as Monterrey, Guadalajara and

San Luis Potosi. Dr. Moctezuma estimates that the state loses between 20 and 30 thousand workers each year. The state's population grew by only four percent between 1990 and 2000 and by some accounts has since declined.

Rising Crime Further Erodes Confidence

¶16. (U) One group taking a new interest in the state is unwelcome by its residents. In recent years, Zacatecas has been relatively insulated from rising crime and violence. Violent crime, including homicides, in fact, dipped significantly from the late 1990s through 2002. There are indications, however, that the cartels have begun to establish a foothold in the state.

¶17. (SBU) Government contacts with whom we spoke, such as the new Secretary of Government and State Public Security Chief, downplayed crime as a major issue; however, non-governmental contacts we spoke with, such as print journalist Alfredo Valadez and broadcaster Francisco Esparza, painted a more negative picture. Robberies, auto-theft, kidnapping and extortion have increased significantly in the past year, they said.

¶18. (SBU) Recent high-profile incidents such as the killing of seven state policemen in late December and the on air death threat to a popular broadcaster in Fresnillo early this year have robbed the state of its sleepy, close-knit feel and contributed to a sense of unease, said many contacts.

MEXICO 00000630 002 OF 003

¶19. (SBU) No hard evidence exists that narco-violence is here to stay in Zacatecas, but the picture painted by contacts in the state dovetails with comments made to us earlier by public security officials in neighboring Nuevo Leon. State attorney general Luis Carlos Trevino and San Pedro Police Chief told us that combined military and law enforcement operations put pressure on cartel operations in Nuevo Leon and Tamaulipas; traffickers have moved some operations into neighboring states and gone "downmarket" - diversifying into auto-theft, extortion and other petty criminal pursuits to keep their core operations greased with cash.

¶10. (SBU) Well-removed from commercial trucking routes and far from the U.S. border, Zacatecas does not offer narco-traffickers a particularly attractive foothold, but even the Secretary of Government and Public Security Chief acknowledged that both the Gulf and Pacific Cartels had made some inroads. As important, the public's perception is that growing crime is yet another example of a state government that is under-performing.

PRD Gets More Than It Bargained For

¶11. (U) Zacatecans are habitually hard to please. Complaints about economic and social underdevelopment, as well as rising crime, helped the PRD drive the long-ruling PRI from power back in 1998 when a young Ricardo Monreal broke from the later party and become the first PRD state governor. Capitalizing on PRI's ebbing credibility, Monreal built the PRD up from the ground in Zacatecas. Despite an internal PRD flap over his support for his (Labor Party) brother's mayoral race in Fresnillo last year, he retains a significant amount of influence in the state. He is currently a PRD Senator-at-large in the national legislature.

¶12. (SBU) Current governor Amalia Garcia, on the other hand, is considered by many to be a bit of an outsider. Her father was a PRI state governor in the 1950s, but Garcia left the state as a teenager and spent most of her adult life in Mexico City where she was active in leftwing politics. She

is criticized for what many consider to be a series of bad cabinet picks, and for cycling her advisors from one state post to another even when they poorly managed their previous portfolios. A cabinet shuffle in early January brought in no new faces and was seen by many as uninspired.

¶13. (SBU) The biggest complaint we heard about the governor was her failure to articulate a coherent strategy to promote state development. Such feelings may have contributed to PRD losses in elections for municipal and state elections last July when the party lost a third of its state's municipal presidencies and legislative seats, largely to the PRI.

¶14. (SBU) Garcia and her party may get a boost from her former Secretary of Government, Gerardo Romo Fonseca, who is running for the state's party president on a pledge to re-vitalize the organization. (Romo also pledges to deliver a state PRD majority to AMLO-backed candidate for national party president, Alejandro Encinas.)

¶15. (SBU) Charismatic and energetic, Romo says he will focus party attention on rural development, a theme which he admits has not been adequately addressed by the current governor. Nearly three quarters of the state's residents live in small "poblaciones" or in rural areas, he said, although he offered no clear strategy for re-vitalizing the countryside.

¶16. (U) Meanwhile, opposition activists are eying a number of alternative candidates to run against the party in 2010 state elections. They are currently rallying behind Jose Aguirre, a prominent construction magnate; the hope is that he will head a non-partisan ticket based on civic renewal. Another possible contender is the recently elected Zacatecas Mayor, PANista Cuatemoc Calderon.

MEXICO 00000630 003 OF 003

¶17. (U) With a year and a half before gubernatorial elections Zacatecans still have time to ruminate further on their future. Whoever wins in 2010 will have a difficult job ahead infusing the state's residents with confidence.

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